(b) The excess of expenditure over income of the power utilities of Andhra Pradesh without taking into account subsidy and taxes was Rs.2948 crores in 2001-02. This was Rs.1399 crores in 2003-04.'

(c) The Government of India has initiated various steps to revive the poor financial health of SEBs/Power Utilities. The Ministry of Power has signed Memorandum of Understanding(MoU)/Memorandum of Agreement (MoA) with States on power sector reform envisaging support of Central Government subject to States progressing satisfactorily on agreed reform agenda. The Union Government, in order to help the State utilities is providing funds to States under Accelerated Power Development and Reforms Programme (APDRP) for investment in identified distribution areas for, *inter-alia,* reducing technical losses and improving the quality of supply and also for incentivising, through grants, reduction of cash losses. Past debts of SEBs due to Central Public Sector Undertakings have been securitised under tripartite agreements.

APDRP has two components. Under incentive component, assistance is provided as full grant to a State equivalent to 50% of the reduction in operating cash losses of power utility(ies). A grant of Rs.265.11 crores has been released to Andhra Pradesh as incentive during 2003-04 under APDRP. Under the investment Component an amount of Rs. 566.17 crores has been released to State since year 2002-03.

Besides this, Rs. 40.44 crores (approx.) have also been provided to power utilities of Andhra Pradesh through Power Finance Corporation under Accelerated Generation & Supply Programme in last three years.

Generation of Power in thermal power sector

†876. SHRI RAM JETHMALANI:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that nearly 80 per cent of power production in the country is done in thermal power sector;

(b) if not, the facts in this regard;

†Original notice of the Question was received in Hindi.

(c) whether it is also a fact that the cost of power production in this sector is comparatively high due to use of excess amount of ash mixed coal as fuel;

(d) if so, the details thereof; and

(e) the steps proposed to be taken by Government to reduce the cost of production?

THE MINISTER OF POWER (SHRI P. M. SAYEED): (a) and (b) Yes, Sir. The power production in the country by the thermal power plants at present is 82.2%.

(c) and (d) Ash content in Indian coal is quite high varying from 40% to 50%. The power plants are therefore designed for use of high ash coal. This has necessitated use of larger sizes of various auxiliaries such as coal mills, primary fans, ash handling plants etc. High percentages of ash in coal is one of the factors for high cost of generation in coal based power stations.

(e) Following steps are being taken/have been taken by the Government to reduce the cost of generation:—

(i) Ministry of Coal/Coal India Limited is being regularly persuaded to supply good quality coal free from extraneous material like stones, overburden etc.

(ii) Ministry of Envirornment and Forests have issued guidelines for power stations located at a distance of more than 1000 KMs from the mines to use coal with ash content less than 34%.

(iii) Vigorous monitoring of construction of power projects to check/ restrict time over-run.

(iv) Encouragement to production of indigenous power producing equipment.

(v) Rationalization of duty and tax structure of power sector.

(vi) Custom/excise duty exemption/concession for project import for power sector.

(vii) Concessional custom duty for R&M programme of power stations.

Announcement of National Electricity Policy

877. SHRIMATI N. P. DURGA: Will the Minister of POWER be pleased to state:

(a) by when Government of India are going to announce the National Electricity Policy;

(b) whether it is a fact that the policy provide guidelines for competitive bidding in the power sector and also for captive power plants;

(c) whether Government have finalized the rules for captive power plants in the country; and

(d) if so, the details thereof?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) The National Electricity Policy has been notified on 12.2.2005.

(b) Detailed guidelines for procurement of electricity by distribution licensees through transparent bidding process, as stipulated in section 63 of the Act, have been separately issued by the Central Government.

(c) and (d) Under the Electricity Act, 2003, captive power plants, including group captive, have been freely permitted. The Act provides that any person may construct, maintain or operate a captive generating plant and dedicated transmission lines. Further, under the provisions of the Act, every person, who has constructed a captive generating plant and maintains and operates such plant, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use subject to the availability of transmission capacity.

Embargo on Indian garment exporters

878. SHRIMATI BIMBA RAIKAR: Will the Minister of TEXTILES be pleased to state:

(a) whether the US Government has imposed an embargo on certain Indian garment exporters for forging documents in regard to export of goods in excess of their allotted quantities under textile quotas;